

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

*CASE NO. 10442
ORDER NO. R-9647*

APPLICATION OF MARBOB ENERGY
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, CHAVES COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 20, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 13th day of March, 1992 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Marbob Energy Corporation, seeks approval of an unorthodox oil well location for its State "CF" Well No. 7 to be drilled 2263 feet from the South line and 1430 feet from the East line (Unit J) of Section 13, Township 11 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) Said well is to be simultaneously dedicated, along with the State "CF" Well No. 4 located at a standard oil well location 1980 feet from the South and East lines of said Section 13, to the existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 13.

(4) The testimony presented by the applicant indicates that the Chisum-Devonian Pool is currently a one well producing pool (that well being the aforementioned State "CF" Well No. 4) that is surrounded by "dry holes" and according

to Marbob's interpretation of this pool, a well drilled at the proposed unorthodox location is more likely to penetrate a high point in the localized reservoir up-dip of the producing well, thereby enabling the recovery of additional "attic oil" which may not otherwise be produced.

(5) The subject proration unit is within the applicant's State "CF" Lease which comprises the NE/4 and S/2 of said Section 13; therefore, the proposed location of the subject infill well is not encroaching upon any other operator.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

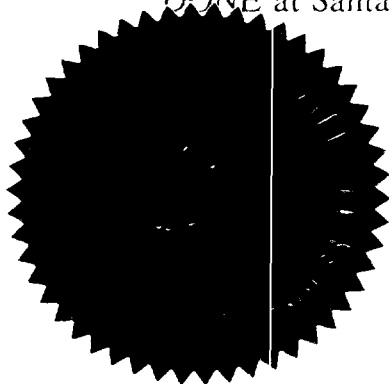
IT IS THEREFORE ORDERED THAT:

(1) The application of Marbob Energy Corporation for an unorthodox oil well location for the Chisum-Devonian Pool is hereby approved for its State "CF" Well No. 7 to be located at a point 2263 feet from the South line and 1430 feet from the East line of Section 13, Township 11 South, Range 27 East, NMPM, Chaves County, New Mexico.


(2) Said well shall be simultaneously dedicated, along with the State "CF" Well No. 4 located at a standard oil well location 1980 feet from the South and East lines of said Section 13, to the existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 13.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10442

APPLICATION OF MARBOB ENERGY
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

RECEIVED

FEB 14 1992

PRE-HEARING STATEMENT

OIL CONSERVATION DIV.
SANTA FE

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Marbob Energy Corporation
Post Office Drawer 217
Artesia, New Mexico 88211
Attn: Mr. Raye Miller

(505) 748-3303 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr
Campbell, Carr, Berge & Sheridan
Post Office Box 2208
Santa Fe, New Mexico 87504

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

Marbob Energy Corporation, applicant in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 2263 feet from the South line and 1430 feet from the East line (Unit J) of Section 13, Township 11 South, Range 27 East, Chisum-Devonian Pool. Said well is to be simultaneously dedicated with the existing State CF Well No. 4, located at a standard oil well location 1980 feet from the South and East lines of said Section 13, to the NW/4 SE/4 of said section being a standard 40-acre oil spacing and proration unit in said pool.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

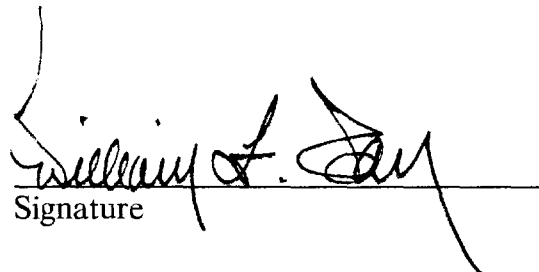
APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| John Gray (Practical Oil Man) | 10 Min. | Approximately 5 |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
|-----------------------------------|-----------|----------|

PROCEDURAL MATTERS


Signature

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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APPLICANT

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(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

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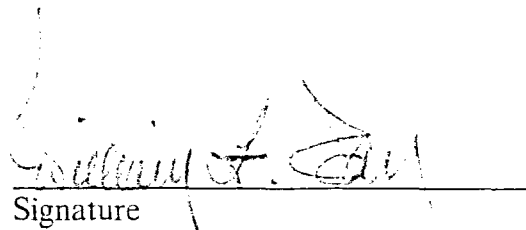
APPLICANT

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Signature

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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PRE-HEARING STATEMENT

OIL CONSERVATION DIV.
SANTA FE

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

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STATEMENT OF CASE

APPLICANT

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PROCEDURAL MATTERS



Signature

- M.S. 3/4/92
H. 3/6/92

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

3/6/92 WJ 3/6/92

CASE NO. 10442
ORDER NO. R- 9647

APPLICATION OF MARBOB ENERGY
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, CHAVES COUNTY, NEW MEXICO

DRAFT

ORDER OF THE DIVISION

20051

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 20, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of March, 1992 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Marbob Energy Corporation, seeks approval of an unorthodox gas well location for its State "CF" Well No. 7 to be drilled 2263 feet from the South line and 1430 feet from East line (Unit J) of Section 13, Township 11 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) Said well is to be simultaneously dedicated, along with the State "CF" Well No. 4 located at a standard oil well location 1980 feet from the South and East lines of said Section 13, to the existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 13.

(4) The testimony presented by the applicant indicates that the Chisum-Devonian Pool is currently a one well producing pool (that well being the aforementioned State "CF" Well No. 4) that is surrounded by "dry holes" and according to Marbob's interpretation of this pool, a well drilled at the proposed unorthodox location is more likely to penetrate a high point in the localized reservoir up-dip of the producing well, thereby enabling the recovery of additional "attic oil" which ~~may~~^{may} not otherwise be produced.

(5) The subject proration unit is within the applicant's State "CF" Lease which comprises the NE/4 and S/2 of said Section 13; therefore, the proposed location of the subject infill well is not encroaching upon any other operator.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the ~~gas~~^{oil} in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Marbob Energy Corporation for an unorthodox oil well location for the Chisum-Devonian Pool is hereby approved for its State "CF" Well No. 7 to be located at a point 2263 feet from the South line and 1430 feet from the East line of Section 13, Township 11 South, Range 27 East, NMPM, Chaves County, New Mexico.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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WILLIAM J. LEMAY
Director

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